



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

**REGION IX**

75 Hawthorne Street  
San Francisco, CA 94105

Susan Owen  
Chevron Corporation  
Room T-2206  
6001 Bollinger Canyon Road  
San Ramon, CA 94583

**RE: Notice of Intent to File a Complaint Pursuant to Section 3008(a) of the Resource Conservation and Recovery Act**

Dear Ms. Owen:

U.S. Environmental Protection Agency Region 9 Enforcement Division inspectors conducted a Compliance Evaluation Inspection (CEI) at the Chevron Products Company (CPC) – Hawaii Refinery in Kapolei, Hawaii on February 24 through March 2, 2016. The purpose of the inspections was to evaluate the refinery's compliance with the Resource Conservation and Recovery Act's (RCRA) hazardous waste management requirements, 42 U.S.C. §§ 6921-6939, and Chapter 342J of the Hawaii Revised Statutes; and the Hawaii Administrative Rules, Title 11, Chapters 260-265, 268, 270, 273, and 279.

Based on information gathered during and after the inspection, the EPA is preparing to bring a civil administrative penalty action against CPC to ensure compliance and assess penalties, pursuant to Section 3008(a)(1) of RCRA, as amended, 42 U.S.C. § 6928(a)(1). A copy of the RCRA CEI report is enclosed for your information. The CEI report describes conditions at the facility at the time of inspection, and identifies areas of noncompliance with RCRA regulations and potential violations of the State of Hawaii's authorized program under RCRA Subtitle C. In addition, the report may identify other potential non-RCRA violations at CPC. Please note that omissions in the CEI report shall not be construed as a determination of compliance with any other applicable regulation.

The allegations being considered are violations of RCRA hazardous waste management requirements, 42 U.S.C. §§ 6921 – 6939e, their implementing regulations, and HAR Title 11, Chapters 260-265, 268, 270, 273, and 279. Under Section 3006 of RCRA, 42 U.S.C. § 6929, violations of the State of Hawaii federally authorized RCRA hazardous waste management requirements are federally enforceable. The allegations against CPC are:

- Failure to obtain a permit for storing and treating hazardous wastes, in violation of Hawaii Environment Laws and Regulations, HRS 11-270-1(c) [40 Code of Federal



Regulations (CFR) § 270.1(c)].

- Failure to make a waste determination, in violation of HRS 11-262-11 [40 CFR § 262.11].
- Failure to comply with the manifest regulations, in violation of HRS 11-262-20(a) [CFR § 262.20(a)(1)].
- Failure to submit a written exception manifest report, in violation of HRS 11-262-42(a)(1) and (2) [40 CFR § 262.42(a)(1) and (2)], and
- Failure to have LDR notifications on-site, in violation of HRS 11-268-7(a)(2) [40 CFR § 268.7(a)(2)].

The CEI report identifies potential violations of RCRA observed during EPA's investigation. EPA regulations governing the confidentiality of business information are set forth in 40 CFR Part 2, Subpart B. EPA routinely provides copies of investigation reports to state agencies, and upon request, to the public. Such releases are handled according to the Freedom of Information Act regulations (40 CFR Part 2). If CPC believes the enclosed CEI report contains information entitled to treatment as confidential business information, please assert a confidentiality claim in accordance with 40 C.F.R. § 2.203(b) **within fourteen (14) calendar days from the date of receipt of this letter**. Business confidentiality includes the concept of trade secrecy and other related concepts. Your claim must specifically identify the information covered by the claim and should be sent to EPA by certified mail. EPA will construe the failure to furnish a confidentiality claim within **fourteen (14) calendar days** from the date of CPC's receipt of this letter as a waiver of that claim and information may be made available to the public by the EPA without further notice. See 40 CFR § 2.203(a)(2). For any portion of the information you submit to EPA that is entitled to treatment as confidential business information, please assert a confidentiality claim according to 40 C.F.R. § 2.203(b). If EPA determines that the information so designated meets the criteria set forth in 40 C.F.R. § 2.208, the information will be disclosed only to the extent, and by means of the procedures specified in 40 C.F.R. Part 2, Subpart B.

EPA anticipates filing a complaint against CPC within the next forty-five (45) calendar days unless CPC advises EPA of substantial reasons not to proceed. EPA is extending to CPC the opportunity to submit any information that the EPA should consider before issuing the complaint. Relevant information may include any evidence of reliance on compliance assistance, additional compliance tasks performed subsequently to the inspection, or financial factors bearing on CPC's ability to pay a civil penalty. In addition, the EPA encourages CPC to explore the possibility of settlement.

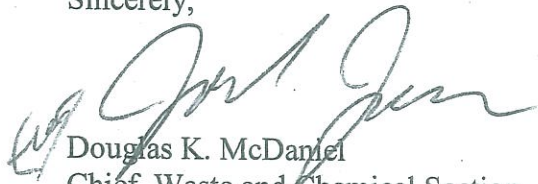
The violations alleged are subject to civil penalties of up to \$93,750 per day per violation. Any penalty discussed for violations of RCRA and its implementing regulations will be calculated pursuant to the EPA's "RCRA Civil Penalty Policy," which you may obtain at <https://www.epa.gov/sites/production/files/documents/rcpp2003-fnl.pdf>. Also, you may obtain a copy of the EPA's "Supplemental Environmental Projects Policy" ("SEP Policy") at <https://www.epa.gov/sites/production/files/2015-04/documents/sepupdatedpolicy15.pdf>.

The EPA's SEP Policy describes the terms under which a commitment to perform an environmental project may mitigate, in part, an EPA civil penalty. A copy of EPA's SEP Policy is enclosed. Also, enclosed for your information are requirements of the Securities and

Exchange Commission ("SEC Notice") for "registrants" to provide information on environmental legal proceedings to the public. To determine the applicability of these requirements to your company, you should seek competent legal counsel as described in the enclosed SEC Notice.

If you have any questions or if you are interested in commencing settlement negotiations, please contact Daniel Fernandez of my staff at (415) 972-3299 or have your attorney contact Brianna Fairbanks in the Office of Regional Counsel at (415) 972-3907 within two (2) weeks of receipt of this letter to schedule a meeting or conference call.

Sincerely,



Douglas K. McDaniel  
Chief, Waste and Chemical Section  
Enforcement Division

Enclosures:

SEP Policy

Notice of SEC Registrants' Duty to Report

Inspection Report (CD)

Cc (w/o Enclosures): Paul Kalaiwaa, HDOH's RCRA Hazardous Waste Office Acting  
[paul.kalaiwaa@doh.hawaii.gov](mailto:paul.kalaiwaa@doh.hawaii.gov)